



**MOVING TO WORK**

**FY2013**

**ANNUAL REPORT**

# **MOVING TO WORK FY2013 ANNUAL REPORT**

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## **1.0 INTRODUCTION**

This document serves as the Delaware State Housing Authority's (DSHA) *Moving To Work* (MTW) Annual Report for FY2013, which started July 1, 2012 and ended June 30, 2013. On April 8, 2008, DSHA adopted and signed an Amended and Restated MTW Agreement with the U.S. Department of Housing and Urban Development (HUD) that extended the program until June 30, 2018. This is a standardized agreement that HUD presented to all MTW agencies and allows DSHA to continue all current initiatives and retain the present funding allocation of the existing contract.

### **A. PROGRAMS COVERED IN THE MTW DEMONSTRATION AND INCLUDED IN THIS PLAN**

The DSHA MTW Demonstration includes the following programs:

1. Low Rent Public Housing
2. Housing Choice Vouchers
3. Capital Fund Program
4. Resident Homeownership Program

### **B. OVERVIEW AND GOALS OF MTW PROGRAM**

The three statutory objectives of the MTW Program continues to be 1) to reduce costs and achieve greater cost effectiveness; 2) to give incentives to families to obtain employment and become economically self-sufficient; and 3) to increase housing choices for low-income families. Due to the cycle of the waiting list and preferences, DSHA plans to serve up to 500 families each year in the program.

The goals and objectives under the DSHA MTW Program are outlined as follows:

1. To reduce costs and achieve greater cost effectiveness by administrative reforms to the Public Housing (PH) and Housing Choice Voucher Programs as indicated below:
  - Combine the waiting lists for PH and Housing Choice Voucher Program with preferences consistent between the two programs.
  - Increase the residents' share of the total tenant payment to 35% of adjusted gross income.
  - Time-limit housing assistance for MTW participants.
  - During the actual time a family is housed, it may not apply for an alternative form of subsidy.

- The Safety Net was eliminated in FY2012. Participants in MTW will receive subsidy for a total of 7 years. If the participant has not achieved self-sufficiency at that time then the subsidy will end.
  - Enhance the quality of life and standard of living for residents participating in MTW by assisting residents in the removal of barriers to self-sufficiency (resolve credit and debt issues, obtain driver's license, purchase vehicle, coordinate child care, etc.).
  - Increase earned income of participating families enabling them to pay more towards their rent and requiring fewer subsidies, especially in cases where the family may not meet full self-sufficiency goals.
2. To give incentives to families who are employed or seeking employment and self-sufficiency with the following initiatives:
- Amend waiting list preferences to include working families.
  - To make work pay, cap rent, with all funds over the cap up to the 35% limit placed in a savings account for the MTW participant.
  - All MTW participants continuously participate in required case management and are offered services and/or resource referrals including financial literacy, job training and placement services, computer experience, educational opportunities and transportation stipends, as funds allow.
3. To improve housing choices for residents by offering or coordinating the following resources:
- Homeownership counseling and assistance.
  - Budget counseling.
  - Fair Market Housing counseling.
  - Assistance obtaining a Low Income Housing Tax Credit Unit.
  - MTW Savings Account as income increases.
  - Counseling to repair credit problems.
  - Financial Literacy Education.
  - Individual Development Account referral for approved participants.
  - Resident Homeownership Program.

During the last four (4) years, there has been a decrease in MTW participants and an increase in the number of MTW exempt families, elderly and disabled, especially in the Housing Choice

Voucher Program. In the FY2011 Annual MTW Plan, DSHA received approval from HUD to implement the following changes to the resident selection process:

- Limiting the MTW exempt applicants to the first type of housing assistance available. (Implemented in FY2011)
- Elimination of Fair Market Renters in Public Housing units. (Implemented in FY2011)
- 500 unit MTW participant set-aside, to be adopted only if the two afore mentioned revisions do not significantly increase the overall number of MTW clients. (DSHA will implement the 500 unit set-aside option effective January 1, 2014.)

### **C. STATUS OF MTW PROGRAM AND ACCOMPLISHMENTS TO DATE**

The accomplishments and status are cumulative from the date that the MTW Program started.

1. Holly Square added to the PH stock on March 1, 2000.
2. Certificate and Voucher Programs were combined into one Housing Choice Voucher Program (1999).
3. Rents were increased to 35% of adjusted income for all MTW participants (1999).
4. PH and Housing Choice Voucher Program waiting lists were combined (1999).
5. Working preference added (1999).
6. Case management services were initially established and contracts signed with two nonprofit counseling agencies for all Housing Choice Voucher Program MTW participants. As of July 1, 2008 all case management activities for Housing Choice Vouchers were taken over by the existing DSHA Resident Service Staff. This change has reduced expenses by \$80,000 annually, and given DSHA the ability to provide case management to all MTW residents on a more consistent level. (2008).
7. Report established to identify and monitor needs of the MTW participants (2006).
8. Agencies have been identified and contacts established that may provide services for unmet needs.
9. All funds are block granted.
10. MTW participants continue to be evaluated as they enter the program, and DSHA constantly networks with potential service providers and organizations to bring needed services to the participants and/or refer participants to services.
11. An Individual Development Account (IDA) Program has been implemented and completed in September 2006 to help qualified MTW participants develop assets. Thirty-six families completed their goals with 28 buying homes, five opening a business and

three pursuing educational goals. The IDA program is now available from several outside organizations.

12. The Resident Homeownership Program (RHP) began accepting applications in FY-2004. There are ~~two~~ four families now enrolled in the program.
13. Although DSHA's contract with NCALL has ended, we continue to provide referrals for, credit repair, budget counseling, fair market housing counseling and RHP homeownership counseling for PH MTW participants. The contract was completed in 2006 and services are available through local non-profit organizations.
14. DSHA completed an automated MTW case management system which tracks all statistical information for both PH and Housing Choice Voucher Program MTW participants. This system also includes an automated list that ensures timely compliance with quarterly reviews and completion of annual Resident Action Plans (RAP). (2008)
15. DSHA amended the RAP to include a certification by MTW participants that they understand the requirement that they must be employed at least 20 hours per week earning no less than minimum wage, or in a training or educational program for at least 20 hours per week. (For residents moving in on or after July 1, 2007, requirements will be increased to 25 hours per week beginning with their third year in the MTW program and 30 hours per week for the fourth and any subsequent years in the MTW program.)
16. Since 1999, DSHA has awarded **154** educational scholarships from the MTW budget to be used by residents for education costs or employment enrichment classes totaling approximately \$77,000.
17. DSHA purchased an Adult Basic Education/GED computer program for each of its PH sites to assist residents working toward educational goals.
18. Funds from the Housing Choice Voucher Program Reserves have been used to pay for capital improvement projects at the Public Housing sites including: the replacement of heating and addition of air-conditioning systems at McLane Gardens, McLane Gardens Annex, Clarks Corner, Laverty Lane, and Mifflin Meadows; the installation of security cameras at Clarks Corner, Liberty Court and Burton Village; the installation of security fencing at Liberty Court, Mifflin Meadows and McLane Gardens.
19. The time limit safety-net feature initially implemented in FY2005 will be dissolved. Effective FY2012, the Delaware State Housing Authority (DSHA) implemented the following changes to the MTW Program:
  - Extending the MTW Program from 5 years to 7 years.
  - Creating two tiers (years 1-5 Tier I, years 6-7 Tier II).
  - Elimination of the current Safety Net Option.

The changes listed above allow DSHA to move more families through subsidized housing so that we can serve the families that are on the waiting list.



20. Effective January 1, 2013, DSHA eliminated utility reimbursement checks to Public Housing and Housing Choice Voucher residents saving approximately \$245,000 annually. Residents who normally qualified for utility reimbursement checks would no longer receive the utility reimbursement payment but would pay no rent. DSHA did implement a hardship case criteria for this activity for residents requesting an exemption from this policy. Since the elimination of the utility reimbursement, there have only been six (6) hardship panel requests. Of those six requests, three (3) cases were found eligible for a continuation of the utility reimbursement check.
21. Since MTW implementation in August 1999, **753** families have successfully completed the MTW Program. Two hundred and seventeen (**217**) have purchased homes and five-hundred and thirty-six (**536**) have either begun paying the full rent at their current unit or moved to another unit and paid the full rent. Though some of those families would undoubtedly have been successful without MTW, we feel that the majority became successful by taking advantage of the counseling and social services made available through the program as well as the savings they accumulated while in the program.

**Moving to Work Successful Move-outs Comparison Chart:**

*Statistics from 8/1/99 through 6/30/13*

**Total Successful Move-outs = 753 Residents**

<b>Program</b>	<b>Homeownership</b>	<b>Unsubsidized Rental</b>
Public Housing	128	257
Housing Choice Vouchers	89	279
<b>Total Residents:</b>	<b>217</b>	<b>536</b>
<b><i>Success Percentage (%)</i></b>	<b>28.8%</b>	<b>71.2%</b>

## 2.0 (A) HOUSING STOCK INFORMATION

### • NUMBER OF PUBLIC HOUSING UNITS AT THE END OF FY2013

The number of public housing units in the Delaware State Housing Authority (DSHA) portfolio has not changed during the Plan year. There are only five (5) public housing homeownership units left.

#### Number of Public Housing Units as of June 30, 2013

Public Housing						
	Total Units	Bedroom Size				
		1 BR	2 BR	3 BR	4 BR	5 + BR
Burton Village	51	-	14	28	9	-
Clarks Corner	70	4	26	26	12	2
Hickory Tree	55	-	26	26	3	
Holly Square	24	24	-	-	-	-
Lavery Lane	50	-	40	10	-	-
Liberty Court	108	25	71	12	-	-
McLane Gardens	29	12	6	6	4	1
McLane Gardens Annex	21	-	12	6	3	-
Mifflin Meadows	54	6	8	24	12	4
Peach Circle	32	32	-	-	-	-
Scattered Sites-Rental	9	-	-	9	-	-
Scattered Sites-Owner	5	-	-	5	-	-
TOTAL	508	103	203	152	43	7

- **SIGNIFICANT CAPITAL EXPENDITURES BY DEVELOPMENT-FY2013**

This section compares FY2013 budgeted capital work with the actual FY2013 Capital Expenditures by property.

ACTIVITY	COMMUNITIES	ORIGINAL BUDGET	REVISED BUDGET	EXPENDED
Architect Fees- Bathroom Renovations	Liberty Court II	15,000.00	13,059.00	13,959.00
Bathroom Renovations	Liberty Court II	810,500.00	853,348.49	853,348.49
Bathroom Exhaust Fan	Mifflin Meadows	336.00	336.00	336.00
Electrical Upgrades	Peach Circle	3,680.00	3,680.00	3,680.00
Electrical Upgrades	Scattered Site Rentals	5,820.00	5,820.00	5,820.00
Architect Fees- Re-Roofing	Clarks Corner II	18,000.00	16,285.00	10,985.00
Engineer Fees- Electrical/Weatherization	Holly Square	2,400.00	2,400.00	2,400.00
Electrical Upgrades	Holly Square	17,710.00	24,244.00	24,244.00
Electrical Upgrades	McLane Gardens	5,588.00	7,405.43	7,405.43
Re-Roofing	Scattered Site Rentals	9,110.00	9,110.00	9,110.00
HVAC Improvements	Scattered Site Rentals	6,835.00	6,835.00	6,835.00
Management Improvements – Printing & Bid Advertising	Various Sites	0	0	4,562.92
Administrative Costs	Authority Wide	61,120.00	61,120.00	61,120.00
<b>Capital Program Totals:</b>		<b>\$956,099.00</b>	<b>\$1,003,642.92</b>	<b>\$1,003,805.84</b>

- **DISCUSSION OF THE CAPITAL EXPENDITURE AMOUNTS:**

The following are descriptions of the expenditures made during the fiscal year and a status report on Capital Budget activities during FY 2013:

1. **Bathroom Renovations** – The work consisted of renovating all of the bathrooms at Liberty Court Phase II during FY2013.
2. **Electrical Upgrades** – Furnish and install arc fault circuit breakers in all units at McLane Gardens, Peach Circle and twelve scattered site rental homes.
3. **Electrical Upgrades** - Replace receptacles and switches in twenty-three units at Holly Square.
4. **Re-Roofing and HVAC Improvements** – Roof replacement and installation of a new heat pump at a scattered site rental home.

- **DESCRIPTION OF ANY NEW PUBLIC HOUSING UNITS DURING FY2013**

DSHA did not add any new public housing units to the agency portfolio during FY2013.

- **NUMBER OF PUBLIC HOUSING UNITS REMOVED FROM INVENTORY DURING FY2013**

There were no units removed from the public housing inventory during FY2013.

- **NUMBER OF MTW HOUSING CHOICE VOUCHERS AUTHORIZED AT THE END OF FY2013**

During FY2010, DSHA was awarded fifty (50) Family Unification Program Vouchers. DSHA does not have any project-based Housing Choice Vouchers.

<b>Housing Choice Voucher Program</b>	
Moving To Work Vouchers	904
HUD Conversion Vouchers	1
Family Unification Voucher Program	50
<b>TOTAL</b>	<b>955</b>

*\*Although part of the Housing Choice Voucher Program total, DSHA does not include FUP Vouchers as part of the MTW Vouchers category in accordance with the special voucher Q&A issued by the MTW Office in October 2010.*

- **OVERVIEW OF OTHER HOUSING MANAGED BY DSHA**

DSHA owns and manages two (2) Section 8 New Construction developments, Huling Cove and Huling Cove Annex in Lewes, Delaware. Both developments provide housing for the elderly and persons with disabilities, but have adopted a preference for elderly applicants in accordance with Subtitle D of the Title VI of the Housing and Community Development Act of 1992.

Huling Cove has twenty-four (24), one-bedroom units, and Huling Cove Annex has forty-one (41), one-bedroom units. Both sites were substantially renovated during FY2008-2009.

**B. LEASING INFORMATION - ACTUAL AS OF JUNE 30, 2013**

- Number of MTW Public Housing Units Leased as of June 30, 2013**

<b>Public Housing</b>							
	Total Units	Total Units Leased	Bedroom Size				
			1BR	2BR	3BR	4BR	5BR
Burton Village	51	44	-	11	25	8	-
Clarks Corner	70	56	3	23	19	9	2
Hickory Tree	55	49	-	23	23	3	
Holly Square	24	22	22	-	-	-	-
Lavery Lane	50	47	-	38	9	-	-
Liberty Court	108	104	25	69	12	-	-
McLane Gardens	29	28	11	6	6	4	1
McLane Gardens Annex	21	20	-	11	6	3	-
Mifflin Meadows	54	53	5	8	24	12	4
Peach Circle	32	30	30	-	-	-	-
Scattered Sites – Rental	9	9	-	-	9	-	-
Scattered Sites – Owner	5	5	-	-	5	-	-
<b>TOTAL</b>	<b>508</b>	<b>467</b>	<b>96</b>	<b>187</b>	<b>138</b>	<b>39</b>	<b>7</b>

**Total Occupancy Rate as of June 30, 2013: 92%**

**\*Scattered site Homeownership units are not MTW units**

- Total Number of non-MTW Public Housing Units leased in Plan year:**

All Public Housing units leased are under the MTW Program.

- **Total Number of MTW Housing Choice Voucher units leased in Plan Year:**

**Total Number of MTW and Non-MTW units leased as of June 30, 2013**

Housing Choice Voucher Program						
	Total Households	Bedroom Size				
		1 BR	2 BR	3 BR	4 BR	5 + BR
MTW	896	264	376	206	48	2
Non-MTW	1	1	0	0	0	0
FUP	36	12	14	8	2	0
Total	933	277	390	214	50	2

**Total number authorized MTW & Non-MTW Vouchers: 955 Vouchers**

**Percentage of leased MTW Vouchers: 97.8%**

**Percentage of leased Non-MTW Vouchers: 100%**

**Percentage of Family Unification Vouchers: 72%**

- **Description of any issues relating to leasing of Public Housing Units or Housing Choice Vouchers:**

The public housing occupancy rate has been on average 95% to 98% over the past few years. The high turnover rates experienced at some sites are the result of DSHA's strict enforcement of rent payment, anti-crime policies, including the elimination of a Safety Net program resulting in the end of participation for Tier II MTW participants during FY2013. The importance of timely rent payment is constantly stressed to residents by the housing managers as well as the MTW case managers. Though criminal background checks are performed prior to admission of all new residents 18 years of age and older, we still lose families because of drug-related criminal activity, many times involving their non-resident visitors.

During FY2013, DSHA experienced unusually high vacancy rate which was attributed to an excessive number of vacancies at one site, Clarks Corner (DE004000016). To exacerbate the issue at the development, there were also several maintenance staff vacancies and medical leaves at the site during the same period, which has slowed the turnover of units. Due to budget constraints caused by cuts in Federal Funding, the use of contractors to turn over the vacancies has not been financially feasible. So, DSHA has worked to utilize maintenance staff from other public housing sites, when available, to help with the turnovers. This includes the use of special maintenance teams on several occasions to work specifically at Clarks Corner over a period of three days each, over several weeks. DSHA submitted a Public Housing Utilization Corrective Action Plan to address the situation, with a goal of reducing overall vacancies across the agencies portfolio to 6% or less. (As of August 16, 2013, the Public Housing vacancy was 5.7%.)

DSHA's Housing Choice Voucher lease utilization rate at the end of FY2012 was 97.8%. The financial utilization rate (actual HAP expenditures vs. budget amount) was 90% as of June 30, 2013. During FY2013 due to an unexpected 24% cut in Public Housing Operating funds, which required the use of funds from the agencies Housing Choice Voucher Reserves (since there were no Public Housing Reserves). This in addition to cuts to both Public Housing and Housing Choice Vouchers due to the Federal sequestration, has led DSHA to be extremely cautious and conservative in the utilization of HCV funds and over-issuing of vouchers. Lease-up figures for the past 12 months show that 70-75% of families on the waiting list successfully leased a unit within

120 days after receiving their new voucher. This is about 9% higher than the historical average. This can be partially attributed to the fact that fewer vouchers were issued by DSHA during FY2013, reducing initial demand by voucher holders and new participants leasing in-place. DSHA anticipates this percentage to decline during the upcoming year due to the tightening rental market.

Applicants are given in-depth information about DSHA's extension policy at voucher briefing sessions and reminders are mailed at the end of the 60-, 90- and 120-day periods. The extension approval policy is liberal and only requires voucher holders to show a list of landlords who have been contacted during the period.

Extensions beyond the maximum 120-day search period are given to families who are having difficulty finding a suitable unit and have provided documentation showing the progress of their attempts to locate housing. Poor rental history and increased market rents seem to be the major reasons for failure to lease a unit since almost a quarter of the vouchers expire after only 60 days.

DSHA implemented an on-line rent reasonableness system in March 2004, which helps ensure more objectively and accurately that Housing Choice Voucher units are rented at rates comparable to the local markets.

In reference to the ability of a family to use the Portability feature of the housing choice voucher, only those families that are exempt from the MTW program, or are in the safety-net, are allowed to take their voucher outside of DSHA's jurisdiction. MTW participants are **not eligible** to use the portability feature of their voucher **unless** they document that they have been offered employment outside of DSHA's jurisdiction or must move for medical purposes (immediate family members) outside of DSHA's jurisdiction.

**FUP Vouchers:** During FY2010, DSHA received 50 Family Unification Program (FUP) Vouchers. The program provides Housing Choice Vouchers to youth exiting foster care and families for whom the lack of adequate housing is a primary factor in the imminent placement of the family's children in foster care, or in a delay of discharge of child/children from foster care. A Memorandum of Understanding was created between DSHA and the Delaware Division of Family Services for the referral and case management of prospective clients and FUP participants.

DSHA has worked closely with the Delaware Division of Family Services to obtain applicant referrals to fill potential vacancies. During FY2013 the program has seen some higher vacancies than during the first full year since a number of the youth exiting foster care participants have reached the 18 month limit for subsidy. Although DSHA has a state funded voucher program for FUP eligible clients, it has established a protocol with the Division of Family Services to insure that any vacancies in the FUP program are filled before any applicant is considered for the state funded program. We have noted that some landlords are somewhat hesitant to rent to youth exiting foster care clients because of the 18 month time-limit for assistance.

- **Number of project-based vouchers committed or in use at the end of Plan year:**

No Housing Choice Vouchers have been committed or used as project-based vouchers by DSHA during the Plan year.

## C. WAITING LIST INFORMATION

- **Number and characteristics of households on the waiting lists (all housing types) at the end of the plan year:**

The waiting list is a combined list for Housing Choice Voucher Program Vouchers and Public Housing. MTW applicants are provided the type of housing that is available when their name comes to the top of the list. The waiting list has been open since 1991, and DSHA anticipates that it will remain open. Prior to the commencement of MTW, the wait for housing ranged from about 8 months for some bedroom sizes in Public Housing, to about 22 months for a Housing Choice Voucher. Currently, the wait for those with an MTW preference and the elderly/disabled is approximately 12 to 18 months for Public Housing and 30-42 months for the Housing Choice Voucher Program.

During FY2013, the actual waiting list decreased slightly by 12%. The reduction is attributed to an increase in the number of applications being removed from the waiting list because of a failure to respond to annual updates and appointment letters. DSHA updates the waiting list on a monthly basis, sending annual update letters to applicants based on the month the application was originally received. During an average month, 400 to 500 updates are mailed, with a response rate of less than 50%. The majority of applications removed from the waiting list include those submitted by individuals living outside DSHA's jurisdiction.

DSHA has a web-based application process. This system has made applying for housing more accessible to the general public and has increased the number of out-of-jurisdiction applications.



### Number of Households on the Waiting List by Bedroom Size on June 30, 2013

Combined Public Housing and Housing Choice Voucher Waiting List							
	Total Households		June 2013				
	June 2012	June 2013	1 BR	2 BR	3 BR	4 BR	5 + BR
<b>Family</b>	5,408	4,795	1,088	1,869	1,347	410	81
<b>Elderly/Disabled</b>	2,094	2,031	1,344	399	213	62	13
<b>Total</b>	<b>7,659</b>	<b>6,826</b>	<b>2,432</b>	<b>2,268</b>	<b>1,560</b>	<b>472</b>	<b>94</b>

### Race of households on Waiting List being served as of June 30, 2013

Combined Public Housing and Housing Choice Voucher Waiting Lists						
	Total Households	White	Black	Alaskan/ Native American	Asian	Pacific Islander
<b>Number</b>	6,826	2,457	4,232	69	68	0
<b>Percent</b>	100%	36%	62%	1%	<1%	<1%

### Ethnicity of households on Waiting List as of June 30, 2013

Combined Public Housing and Housing Choice Voucher Waiting Lists			
	Total Households	Hispanic	Non-Hispanic
<b>Number</b>	6,826	205	6,621
<b>Percent</b>	100%	3%	97%

### Income of households on the Waiting List as of June 30, 2013

Public Housing and Housing Choice Voucher Waiting Lists					
	Total Households	Less than 30% AMI*	30-50% AMI	50-80% AMI	Greater than 80% AMI
<b>Number of Households</b>	6,826	5,256	1,094	409	67
<b>Percent</b>	100%	77%	16%	6%	1%

### **3.0 NON-MTW RELATED HOUSING AUTHORITY INFORMATION:**

#### **A. Non-MTW activities implemented by the agency and uses of other HUD or federal sources**

Delaware State Housing Authority (DSHA) was created in 1968. Over the past 40 years, DSHA has emerged to serve an integral role in Delaware's overall economic and social plan, demonstrated by the inclusion of the DSHA Director as part of the Governor's Cabinet in Delaware State Government.

Today, DSHA functions as a government agency, an entrepreneurial developer and lending institution.

DSHA makes mortgage and other loans to both for-profit and nonprofit housing sponsors. We also extend loans to mortgage lenders and require that proceeds be used to create new residential mortgage loans. DSHA also applies for, and receives, subsidies from the federal government and other sources, in addition to issuing its own bonds and notes. In addition to its role as the State's Housing Finance Agency, DSHA is unique in that it also owns and operates Public Housing, and acts as a community development agency.

Our core business focuses on preservation, new construction, homeownership, rental assistance, resident services, asset management, rehabilitation, homeless prevention, emergency and transitional housing, and community development. DSHA provides a host of programs to address Delaware's affordable housing needs, most of which are available on a statewide level.

To assist in supporting these types of assistance, DSHA also researches the nature of Delaware's housing needs through such vehicles as needs assessments, rental surveys and housing production reports. DSHA staff members serve on a variety of boards and committees related to housing.

To administer all of these programs and to achieve its goal of providing affordable and safe housing for low- and moderate-income persons, DSHA employs a full-time staff of 131 and is divided into seven interdependent sections: Administration, Policy and Planning, Community Relations, Housing Development, Housing Finance, and Housing Management.

## **4.0 LONG-TERM MTW PLAN**

### **A. Description of the Agency's long-term vision of its MTW Program**

DSHA's long-term vision for the MTW Program will be to expand and evolve current activities, utilize a greater number of the authorizations permitted under the MTW agreement and create a comprehensive system to identify and document MTW accomplishments. With the acceptance of the Restated and Amended MTW Agreement, DSHA will be looking at the following areas:

- Adoption of income/asset verification procedures in lieu of the current HUD system for both Public Housing and Housing Choice Vouchers. This would allow DSHA to reduce costs and make the processing of applications and interim/annual certifications more efficient.
- Explore alternative rent policies to simplify the calculation of subsidy and tenant rents. This includes a process that would be less intrusive to the residents, simple to perform and understand, reduce the potential for errors, and reduce administrative burden and transaction volume. DSHA would work with housing advocates, residents and other interested parties to insure that any proposed alternative rent policies would be equitable and fair to residents.
- In the FY2013 Annual Plan, DSHA proposed to renovate Wexford Village, a 60 unit Low Income Housing Tax Credit (LIHTC) property, in Laurel, Delaware. The property is currently in the extended use period of a LIHTC agreement and is owned by Wexford Village Housing Corporation, a wholly owned nonprofit corporate affiliate of DSHA. DSHA proposes to use \$500,000 from the MTW Housing Choice Voucher Reserves to complete a moderate renovation of the property. DSHA currently has \$2.4 million in the Housing Choice Voucher Reserves. In addition to the amount from MTW HCV Reserves, DSHA will also issue a grant of \$582,702 in non-MTW funds, provide a low-interest loan of \$500,000 to the property and has arranged for the current deferred mortgage (\$2,036,583) to be interest-free. In addition, twenty (20) existing tenant-based Housing Choice Vouchers (HCV) will be project-based at the property upon completion of renovations and the remaining units will be offered to households with annual incomes between 60% and 80% of area median income.

## **5.0 PROPOSED MTW ACTIVITIES: HUD APPROVAL REQUESTED**

### **A. Describe any activities that were proposed in the Plan, approved by HUD, but were not implemented, and discuss why these activities were not implemented.**

- The Safety Net Work Requirement matrix (previously activity number A-3) was removed effective with the FY2012 Annual Plan since the Safety Net component of the program was eliminated. This activity number A-3 was replaced with the MTW Tier I – Mandatory Employment and Education Requirement effective with the FY2013 Annual Plan and the creation of activity number A-4 MTW Tier II Work Requirement. Due to limitations with our EZ Housing computer program, DSHA has been unable to separate out the Tier I employment and education statistics from the Tier II. Therefore, all employment statistics listed in the activity A-3 matrix are combined totals of Tier I and Tier II participants. DSHA is exploring options for updating the EZ Housing computer program to accommodate our statistical tracking needs.
- DSHA had not previously executed the 500 unit set-aside that was approved by HUD in the FY2011 Annual Plan (activity number B-4) because the agency wanted to first try to increase the number of MTW participants by instituting changes to the waiting list, under the requirement of having applicants to accept the first form of subsidy provided. DSHA will implement the 500 unit set-aside to ensure at least 500 families are participating in the MTW Program, effective with the FY2014 Annual Plan.
- The renovation of Wexford Village (FY2013 DSHA MTW Annual Plan; activity number C-2) has not been implemented due to the unexpected funding cuts. DSHA is continuing to review options for this project.

**6.0(A) ONGOING MTW ACTIVITIES: HUD APPROVAL PREVIOUSLY GRANTED - LISTED BY STATUTORY OBJECTIVE**

<b>Activity Name</b>	<b><u>Rent Reform: Elimination of Utility Reimbursement Payments</u></b>
<b>Activity Number</b>	A-1
<b>Statutory Objective</b>	MTW Activities to reduce costs and achieve greater cost effectiveness by administrative reforms to the Public Housing (PH) and Housing Choice Voucher Programs as indicated below:
<b>MTW Activity</b>	Effective January 1, 2013, DSHA will eliminate utility reimbursement checks to Public Housing and Housing Choice Voucher residents. Normally, residents whose utility allowance for the unit is greater than Total Tenant Payment (TTP) receives a utility reimbursement payment. Under this activity, residents in this situation would no longer receive a utility reimbursement payment. These residents who would normally receive a utility reimbursement, would no longer receive this payment, but would pay no rent.
<b>Changes to Activity</b>	Currently, DSHA disburses approximately \$245,328 annually directly to eligible residents to assist with utility charges. DSHA has found that disbursing accounts payable utility checks directly to residents does not promote self-sufficiency but rather creates further dependence on government assistance since residents moving to fair market rent (FMR) or homeownership assume total responsibility for utility charges. No changes or modifications, or any additions to Attachment C/D authorizations are required for the changes noted above.
<b>Status of Activity</b>	DSHA did implement this activity effective on January 1, 2013.
<b>Hardship Case Criteria</b>	<p>Existing families affected by the elimination of Utility Reimbursement payments, specifically in cases where the utility allowance is greater than the Total Tenant Payment (TTP), may request an exemption from the policy when one or more of the following financial hardships exist:</p> <ol style="list-style-type: none"><li>1. The family has lost eligibility or are waiting for an eligibility determination for a Federal, State or local assistance program;</li><li>2. The income of the family has decreased because of significant change in circumstances, including loss of employment, which are beyond their control;</li><li>3. The death of a household member has occurred affecting a major source of income for the family; and/or</li><li>4. Other circumstances determined by DSHA or HUD.</li></ol> <p>The hardship policy is only for existing residents. New Public Housing and Housing Choice Voucher residents that are housed after the effective date of the Utility Reimbursement Elimination Policy will not be eligible for the hardship policy.</p> <p>Requests for a hardship exemption from the Utility Reimbursement Elimination Policy must be received by DSHA in writing. The resident must provide documentation with the request showing that the loss of the utility reimbursement would have a significant impact on their ability to abide by the terms of the lease.</p>

The requests for an exemption will be reviewed by the Section 8 Supervisor and Housing Management Program Administrator for Housing Choice Vouchers and the Housing Manager and Regional Manager for Public Housing.

If a hardship exemption is granted, the family will be eligible to receive utility reimbursement payments no greater than \$50.00 per month. The resident would be required to re-verify the need for a hardship exemption at any annual certification or interim re-certification.

An exemption may not be provided if the hardship is determined temporary. DSHA will request reasonable documentation of hardship and also documentation of whether it is temporary or long term.

**Anticipated Impact**

By eliminating the accounts payable utility check, DSHA will save approximately \$20,444 monthly or \$245,328 annually, not including postage and staff time. These crucial funds can be reallocated to (a) supplement costs to provide current residents and their children with critical educational and financial literacy programs necessary to end the cycle of poverty or (b) fund upgrades to public housing sites.

**Baseline**

The baseline will be the amount of funds currently disbursed annually by DSHA for accounts payable utility checks.

**Benchmark**

The benchmark will be the amount of funding saved annually by eliminating the accounts payable utility checks.

**Data Collection/Metrics**

The Easy Housing resident software will be utilized to track and identify the amount of funds saved annually. No outside evaluators are used.

**Authorization(s)**

1) Attachment C, Section C. Authorizations Related to Public Housing Only, Paragraph 11. Rent Policies and Term Limits. This authorization waives certain provisions of Section 3(a)(2), 3(a)(3)(A) and Section 6(1) of the 1937 Act and 24 C.F.R 5.603, 5.611, 5.628, 5.630, 5.632, 5.634 and 960.255 and 966 Subpart A as necessary to implement the Agency's Annual MTW Plan.  
2) Attachment C, Section D. Authorizations Related to Housing Choice Vouchers Only, Paragraph 2(a) and 2(d). Rent Policies and Term Limits. This authorization waives certain provisions of Section 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24 C.F.R 982.508, 982.503 and 982.518 A as necessary to implement the Agency's Annual MTW Plan.

## **Rent Reform- Elimination of Utility Reimbursement Payments**

### **Chart for A-1**

\*Activity began on January 1, 2013. Statistics above are from January 1 – June 30, 2013.

			Baseline (beginning of fiscal year)				Benchmark				Outcome (end of fiscal year)			
			'11	'12	'13	'14	'11	'12	'13	'14	'11	'12	'13	'14
Ongoing FY2013 MTW Activity	Statutory Objective	Anticipated Impacts												
Elimination of Utility Reimbursement Payments	Cost Effectiveness	1. Amount of funding saved annually by elimination of utility reimbursement payments	---	---	<b>\$245,328</b>	<b>\$670</b>	----	----	<b>\$6000</b>	----	---	---	<b>\$670</b>	----
		a. Total Number of residents receiving hardship cases annually	---	---	----	<b>2</b>	---	---	<b>10</b>	----	---	---	<b>2</b>	----

### **Key Observations for FY2013:**

1. Outcome has initially exceeded the benchmark. DSHA anticipated approximately 10 requests for hardship exemption; however, as of June 30, 2013 there were only 2 requests.
2. DSHA saved approximately \$122,329 for the 6 month period from January 1 – June 30, 2013

**Activity Name****Time Limiting Housing Assistance for MTW Participants****Activity Number****A-2**

MTW Activities to reduce costs and achieve greater cost effectiveness by administrative reforms to the Public Housing (PH) and Housing Choice Voucher Programs as indicated below:

**MTW Activity**

Time-limit housing assistance for MTW participants to five (5) years with a potential one (1) year extension. #1. This improves the overall cost effectiveness of the housing programs by #2. Moving families into self-sufficiency and non-subsidized housing, and #3. Allowing another eligible family in need of housing to participate in the MTW program. Identified and Implemented in initial Plan for FY2004.

Definition of Self-Sufficiency: Families who increase their incomes to the level where 40% of their monthly gross income equals or exceeds the fair market rent for their unit, and move into unsubsidized rental housing or homeownership.

**Impact**

**1. For FY2013, the total number of MTW participants that successfully completed the program and moved onto either homeownership or non-subsidized rental housing increased from FY2012 and exceeded the benchmark set for this category. A total of 52 households successfully moved out of subsidized housing and achieved self-sufficiency. Given current economic conditions and a diminishing supply of affordable housing, it is important to note that this year, 9 of our MTW successful participants moved into homeownership and 43 participants moved into fair market rental. (See chart on following page).**

**2. During FY2012, the Safety Net component was eliminated effective September 1, 2011. MTW participants were categorized as either Tier I (years 1-5) and Tier II (years 6-7). At the completion of the 7<sup>th</sup> year, the resident's subsidy will end. This allows DSHA to move more families through subsidized housing so that we can serve the families that are on the waiting list.**

**As a result of this restructuring, the resident's formerly classified as "Safety Net" were brought back into case management as Tier II participants and allotted one (1) year from their next recertification date before their subsidy would end. As of June 30, 2013, DSHA has 27 residents remaining out of originally 118 residents from this category. By the end of FY2014, all former "Safety Net" residents should have completed their subsidy unless they have received a hardship panel extension.**

**Baseline**

The baseline will be the number of MTW participants in their fifth year of the program, the number successfully completing the program and the number going to Safety Net for FY2008 (Revised due to the elimination of the Safety Net for FY2012 Annual Plan).

**Benchmark**

The benchmarks will be the number and percentage of MTW participants graduating from the MTW program for each year and the number of participants entering the Safety Net program from FY2008 to FY2018 same period (Revised for 2010 Annual Report).

**Data Collection/Metrics**

The Case Management and Easy Housing resident software will be utilized to track and identify the number of MTW participants and program graduates. The programs are being modified to provide this data starting with FY2008. No outside evaluators are used.



**Authorization(s)**

1) Attachment C, Section C. Authorizations Related to Public Housing Only, Paragraph 11. Rent Policies and Term Limits. This authorization waives certain provisions of Section 3(a)(2), 3(a)(3)(A) and Section 6(l) of the 1937 Act and 24 C.F.R 5.603,5.611, 5.628, 5.630, 5.632, 5.634 and 960.255 and 966 Subpart A as necessary to implement the Agency's Annual MTW Plan.

2) Attachment C, Section D. Authorizations Related to Housing Choice Vouchers Only, Paragraph 2(a) and 2(d). Rent Policies and Term Limits. This authorization waives certain provisions of Section 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24 C.F.R 982.508,982.503 and 982.518 A as necessary to implement the Agency's Annual MTW Plan.

## Time Limiting Housing Assistance for MTW Participants

### Chart for A-2

			Baseline (beginning of fiscal year)				Benchmark				Outcome (end of fiscal year)			
			'11	'12	'13	'14	'11	'12	'13	'14	'11	'12	'13	'14
Ongoing FY2013 MTW Activity	Statutory Objective	Anticipated Impacts												
Time Limiting Housing Assistance for MTW Participants	Cost Efficiency	1. Increase the Number of people successfully completing MTW- Total MTW Participants	320	303	392	312	303	392	312	----	303	392	312	----
		a. Total Number of successful MTW Completions	38	55	41	52	23 7.5%	29 7.5%	23 7.5%	----	55	41	52	----
		b. Homeownership	6	10	12	9	4	4	4	---	10	12	9	----
		c. Fair Market	32	45	29	43	27	35	28	---	45	29	43	----
		2. Decrease in the number of families moving to Safety-Net.	14	14	0*	0*	12 <5%	0* <5%	0* <5%	---	14	0*	0*	----

\* The Safety-Net was suspended in the FY2012 Annual Plan effective September 1, 2011. Residents in the Safety Net were reclassified as "Tier II". These former "Safety Net" residents were brought back into case management and allotted 1 year from their next recertification date before their subsidy will end.

### Key Observations for FY2013:

1. As of June 30, 2013, DSHA has 277 MTW Tier I participants and 35 MTW Tier II participants for a total of 312 MTW participants.
2. DSHA saw an increase of 32% from FY2012 to FY2013 in the number of residents moving into fair market housing upon successful completion.
3. As of June 30, 2013, DSHA had 27 former "Safety Net" residents remaining out of originally 118 that were brought back into case management and reclassified as Tier II. By the end of FY2014, all former "Safety Net" residents will have reached the end of their subsidy. DSHA has found that most of these residents were ready to move out of subsidized housing and understanding of the need to give other families in Delaware the opportunity to use our MTW Program. As of June 30, 2013, only 30 (25%) of the 118 former "Safety Net" residents had requested a Hardship Panel Hearing to request an extension of their subsidy. Out of the 30 residents requesting a hardship extension, 26 were granted additional time.

<b>Activity Name</b>	<b><u>Mandatory Employment and/or Education Requirement</u></b>
<b>Activity Number</b>	A-3
<b>Statutory Objective</b>	MTW Activities to reduce costs and achieve greater cost effectiveness and self-sufficiency by administrative reforms to the Public Housing (PH) and Housing Choice Voucher Programs as indicated below:
<b>MTW Activity</b>	MTW participants are required to be employed at least 20 hours per week earning no less than minimum wage, or in a training or educational program for at least 20 hours per week. (For residents moving in on or after July 1, 2007, requirements were increased to 25 hours per week beginning with their third year in the MTW program and 30 hours per week for the fourth and any subsequent years in the MTW program.) #1. This is to stimulate an increase in resident earning potential; #2. Create a stepped requirement leading to self-sufficiency; #3. And reduce the subsidy needed for the participant. <u>Initially implemented in FY2000 Annual Plan, revised in the FY2008 and FY2012 Annual Plan.</u>
<b>Update on the Status of Activity</b>	All MTW Participants continue to have a mandatory work hour and educational requirements as noted above.
<b>Changes to Activity</b>	No changes or modifications, or any additions to Attachment C/D authorizations are planned.
<b>Anticipated Impact</b>	#1. Able to serve more people with same amount of funding; #2. Create increased homeownership or Fair Market rental options with the use of MTW savings; #3. Reduce recidivism on Waiting List.
<b>Actual Impact</b>	<b>During FY2013, the number of MTW participants meeting the employment was 263 out of 312 or <u>84.2%</u>. Our MTW unemployment rate was approximately <u>8%</u> which is consistent with the national unemployment rate of 7.8% as of June 30, 2013. Furthermore, <u>65%</u> of our MTW participants are employed more than 30 hours per week which is a slight increase from FY2012 at 63.7%. DSHA has also been consistently noticing a decrease since FY2010 in the number of residents requiring temporary exemptions. (See chart on following page).</b>
<b>Baseline</b>	The baseline will be the total number of MTW participants, the number employed, and a range of weekly hours worked as of FY2008.
<b>Benchmark</b>	The benchmark will be based on a percentage of MTW participants that are employed at least 20 hours per week on an annual basis from FY2008 to FY2018. This benchmark has been redefined by including the wording “at least 20 hours per week” since this is a requirement of the MTW program.
<b>Data Collection/Metrics</b>	The Case Management and Easy Housing resident software will be utilized to track individuals with employment income and weekly hours. Both software systems are being modified to provide this information for FY2008 and beyond. <u>No outside evaluators will be used.</u>
<b>Authorization(s)</b>	1) Attachment C, Section E. Authorizations Related to Family Self-Sufficiency, This authorization waives certain provisions of Section 23 of the 1937 Act and 24 C.F.R 984 as necessary to implement the Agency’s Annual MTW Plan. 2) Attachment C, Section D. Authorizations Related to Housing Choice Voucher Only, Paragraph 3 (a). Eligibility of Participants, This authorization waives certain provisions of Section 16(b) and Sections 8(o)(4) 1937 Act and 24 C.F.R 5.603, 5.609, 5.611, 5.628 and 982.201 as necessary to implement the Agency’s Annual MTW Plan.

**Mandatory Employment and/or Education Requirement**  
**Chart for A-3**

			Baseline (beginning of fiscal year)				Benchmark (95% -# of MTW Clients)				Outcome (end of fiscal year)			
Ongoing FY2013 MTW Activity	Statutory Objective	Anticipated Impacts	'11	'12	'13	'14	'11	'12	'13	'14	'11	'12	'13	'14
Mandatory Employment	Cost Efficiency	Reduce amount of Subsidy while increasing earning potential-Total Participants	<b>320</b>	<b>303</b>	<b>392*</b>	<b>312*</b>	<b>303</b>	<b>392</b>	<b>312</b>	<b>----</b>	<b>303</b>	<b>392*</b>	<b>312*</b>	<b>----</b>
		Total Number Of MTW participants on Temporary Exemption*	40	23	15	9					23	15	9	
		Total Number Of MTW participants unemployed	37	16	13	25					16	13	25	
		1.Employment <20hrs	6	16	22	15	----	----	----	----	16	22	15	----
		2.Employment 20-24hrs	43	33	45	28	----	----	----	----	33	45	28	----
		3.Employment 25-29 hrs	38	32	47	32	----	----	----	----	32	47	32	----
		4.Employment 30-34 hrs	43	57	85	62	----	----	----	----	57	85	62	----
		5.Employment 35+ hrs	119	126	165	141	----	----	----	----	126	165	141	----
		<b>Totals (1-5)</b>	<b>249</b>	<b>264</b>	<b>364</b>	<b>278</b>	<b>303</b>	<b>364</b>	<b>278</b>	<b>----</b>	<b>264</b>	<b>364</b>	<b>278</b>	<b>----</b>

\* The Safety-Net was suspended in the FY2012 Annual Plan effective September 1, 2011. Residents in the Safety Net were reclassified as "Tier II". These former "Safety Net" residents were brought back into case management and allotted 1 year from their next recertification date before their subsidy will end. The total number of participants is elevated due to showing combined statistics for Tier I and Tier II residents.

**Key Observations for FY2013:**

1. During FY2013, the unemployment rate for our residents averaged 8% consistent with the national unemployment rate at 7.8% as of June 30, 2013 and the Delaware unemployment rate at 7.6% for the same time period according to Department of Labor statistics.
2. In FY2013, 65% of our MTW residents were employed more than 30 hours per week up just slightly from 63.7% in FY2012.
3. Since FY2010, DSHA has been consistently experiencing a decrease each year with the number of residents utilizing a temporary exemption.

<b>Activity Name</b>	<b>Alternative Re-Certification Schedule for Elderly and Disabled Residents</b>
<b>Activity Number</b>	<b>A-4</b>
<b>Statutory Objective</b>	MTW Activities to reduce costs and achieve greater cost effectiveness by administrative reforms to the Public Housing (PH) and Housing Choice Voucher Programs as indicated below:
<b>MTW Activity</b>	Adopt alternative re-certification schedules for elderly and disabled residents. For example, re-certifying residents on fixed incomes (fixed pensions, Social Security, SSI) every-other year. For the Housing Choice Voucher Program, half of the approximate 650 elderly/disabled re-certifications would be performed during FY2011, and the remaining half would be completed during FY2012. For Public Housing, which has a significantly lower elderly/disabled population, all re-certification of these individuals would be done every-other year starting FY2011. <u>Identified and Implemented in initial Plan for FY2011.</u>
<b>Hardship Policy</b>	If a resident has a significant change in income or allowable medical expenses, they can request an interim recertification be completed during the years when an annual recertification is not scheduled.
<b>Changes to Activity</b>	No anticipated changes or modifications, or any additions to Attachment C/D authorizations are planned for the revision noted above.
<b>Anticipated Impact</b>	This initiative will reduce the total number annual re-certifications processed by Public Housing and Housing Choice Voucher staff, thus creating administrative efficiencies (reduction in postage costs, time savings).
<b>Actual Impact</b>	<b>DSHA began the Alternative Recertification Policy in October 2010. During FY2013, the alternative recertification policy has saved 544 staff hours with a cost savings of \$9,248. The savings in postage did increase in FY2013 over FY2012 but the significant savings remains in staff time.</b>
<b>Baseline</b>	The baseline will begin with the Annual MTW Report for FY2011 and will be based on the total number of elderly/disabled, fixed income participants processed for annual re-certification.
<b>Benchmark</b>	The benchmark will be the total number of estimated man-hours associated with the processing of annual re-certifications for elderly/disabled residents vs. the bi-annual re-certifications of elderly/disabled residents
<b>Data Collection/Metrics</b>	Easy Housing resident software will be utilized to track and identify the number of effected participants.
<b>Authorization(s)</b>	Attachment C, Section C. Authorizations Related to Public Housing Only, Paragraph 4, Initial, Annual and Interim Income Review Process, Attachment C, Section D. Authorizations Related top Section 8 Housing Choice Vouchers Only, (1) Operational Policies and Procedures, Paragraph (c.). This authorization waives certain provisions of Section 3 of the 1937 Act and 24 C.F.R 960.206 as necessary to implement the Agency's Annual MTW Plan.

## **Alternative Re-Certification Schedule for Elderly and Disabled Residents**

### **Chart for A-4**

			Baseline (beginning of fiscal year)				Benchmark				Outcome (end of fiscal year)			
Ongoing FY2013 MTW Activity	Statutory Objective	Anticipated Impacts	'11	'12	'13	'14	'11	'12	'13	'14	'11	'12	'13	'14
Alternative Recertificat ion for elderly/disa bled	Cost Efficiency	Reduce costs associated with staff time of recertification procedures.	---	---	---	---	---	---	---	---	---	---	---	---
		1. Hours/Staff time saved	----	216	530	544	575	575	575	----	216	530	544	----
		2. Cost savings of staff time (\$)	----	\$3672	\$9010	\$9,248	\$7300	\$7300	\$7300	----	\$3672	\$9010	\$9,248	----
		Reduce cost of postage associated with recertification	----	\$1038	\$409	\$1,437	\$1080	\$1080	\$1080	----	\$1038	\$409	1,437	----

### **Key Observations for FY2013:**

1. For FY2013, 311 certifications did not have to be completed saving approximately 1.75 hours per certification for a total of 544 hours/staff time saved.
2. For FY2013, DSHA saw increased savings in postage. The significant savings remains in staff time.

<b>Activity Name</b>	<b><u>MTW Savings Account and Disbursements</u></b>
<b>Activity Number</b>	B-1
<b>Statutory Objective</b>	MTW activities to give incentives to families who are employed or seeking employment and self-sufficiency with the following initiatives:
<b>MTW Activity</b>	To make work pay, cap rent, with all funds over the cap up to the 35% limit placed in a savings account for the MTW participant. When a client reaches the end of the contract, if their income has increased to where 40% of their monthly gross income equals or exceeds the fair market rent for their unit they can stay in the unit and pay rent at the market rate (with no subsidy) or move into other unsubsidized housing or home ownership and receive the balance of any monies in their savings account. Initiated and implemented in the FY2000 Annual Plan.
<b>Status of the Activity</b>	For FY2011 this activity was modified to include provisions for the use of MTW saving funds. Successful MTW clients are required to utilize at least 60% of the savings fund for homeownership/fair market rental related expenses. This includes: down payment, closing costs, security deposits, utility deposits, clearing credit issues and satisfying debt for medical bills, education and transportation. The remaining 40% of the MTW savings will be distributed to the client for discretionary use.
<b>Actual Impact</b>	<p><b>1.) During FY2013, the number of MTW participants with a savings account increased from 86.9% in FY2012 to 97% in FY2013. In all, a total of \$270,001 was disbursed in MTW savings to 52 individuals who successfully completed the program.</b></p> <p><b>2.) Fifty-two (52) MTW participants successfully completed the program and moved into homeownership (9 participants) or non-subsidized housing (43 participants). This rate exceeds the anticipated benchmark of 10%. The average dollar amount disbursed to successful participants decreased slightly from \$5,696 in FY2012 to \$5,094 in FY2013 but DSHA had 11 more successful completions than the previous year. The MTW escrows accumulated by the residents provided essential funds that helped with closing costs and down-payments for home-ownership and security/utility deposits for non-subsidized rental housing. Without these funds, many of the participants would not have been able to make the transition into home-ownership or other fair market rental housing. (See chart on following page).</b></p>
<b>Changes to Activity</b>	No anticipated changes or modifications, or any additions to Attachment C/D authorizations are planned for the revision noted above.
<b>Anticipated Impact</b>	Encourage residents to work at capacity rather than least amount required. Provides participants with funds to repair credit, debt issues and/or move into Home ownership upon successful completion of MTW program.
<b>Baseline</b>	The baseline will be the number of participants that successfully complete the MTW program during FY2008 (page 29) and the average amount of escrow disbursements each year thereafter. The baseline will also show if a participant moves into homeownership or unsubsidized rental housing.

**Benchmark**

The benchmark will be based on the projected number of successful MTW completions and escrow disbursements from FY2009 to FY2018.

**Data Collection/Metrics**

Case Management software will be utilized to track and identify the number of MTW residents that have successfully completed the program and amount of disbursements. Case Management software will be updated to provide this data beginning with FY2008-2009. No outside evaluators will be used.

**Authorization(s)**

- 1) Attachment C, Section E. Authorizations Related to Family Self-Sufficiency. This authorization waives certain provisions of Section 23 of the 1937 Act and 24 C.F.R 984 as necessary to implement the Agency's Annual MTW Plan.
- 2) Attachment C, Section C. Authorizations Related to Public Housing Only, Paragraph 5. Use of Public Housing as an Incentive for Economic Progress. This authorization waives certain provisions of Section 6 (c) of the 1937 Act and 24 C.F.R 960.201 as necessary to implement the Agency's Annual MTW Plan.



**MTW Savings Account and Disbursements Chart**  
**Chart for B-1**

			Baseline (beginning of fiscal year)				Benchmark (85% of #MTW Clients)				Outcome (end of fiscal year)			
Ongoing FY2013 MTW Activity	Statutory Objective	Anticipated Impacts	'11	'12	'13	'14	'11	'12	'13	'14	'11	'12	'13	'14
MTW Savings Account	Employment Incentives	Encourage Resident to work at capacity to increase savings- Total MTW participants	320	303	392*	312	303	392*	312	----	303	392*	312	----
		<b>Total Number of participants with a savings accounts</b>	<b>279</b>	<b>241</b>	<b>341</b>	<b>303</b>	<b>258</b>	<b>333</b>	<b>265</b>	<b>----</b>	<b>241</b>	<b>341</b>	<b>303</b>	<b>----</b>
		Average Amount of savings-per participant	2,751	2,952	2,837	3,051	----	----	----	----	2,952	2,837	3,051	----
			Baseline (beginning of fiscal year)				Benchmark (10% of #MTW Clients)				Outcome (end of fiscal year)			
		<b>Total Number Successful completions</b>	<b>38</b>	<b>55</b>	<b>41</b>	<b>52</b>	<b>30</b>	<b>39</b>	<b>31</b>	<b>----</b>	<b>55</b>	<b>41</b>	<b>52</b>	<b>----</b>
		Successful Completions going into homeownership	6	10	12	9	----	----	----	----	10	12	9	
		Successful Completions going to market rate housing	32	45	29	43	----	----	----	----	45	29	43	
		Total Average Disbursements to Successful participants	5,409	3,460	5,696	5,192	----	----	----	----	3,460	5,696	5,192	----

\* The Safety-Net was suspended in the FY2012 Annual Plan effective September 1, 2011. Residents in the Safety Net were reclassified as "Tier II". These former "Safety Net" residents were brought back into case management and allotted 1 year from their next recertification date before their subsidy will end. The total number of participants is elevated due to showing combined statistics for Tier I and Tier II residents.

**Key Observations for FY2013:**

1. In FY2013, 97% of MTW participants (303 out of 312) had a savings account versus 86% in FY2012 and exceeding the 85% benchmark.
2. In FY2013, DSHA disbursed \$270,001 to 52 families successfully completing the program.

<b>Activity Name</b>	<b><u>MTW Case Management Services</u></b>
<b>Activity Number</b>	B-2
<b>Statutory Objective</b>	MTW activities to give incentives to families who are employed or seeking employment and self-sufficiency with the following initiatives:
<b>MTW Activity</b>	All MTW participants continuously participate in required case management and are offered services and/or resource referrals including job training and placement services, computer experience, financial literacy classes and transportation stipends, as funds allow. Initiated and implemented in the FY 2000 Annual Plan.
<b>Status of Activity</b>	All MTW participants continue to receive personalized case management services and/or resource referral services, on a quarterly basis or as needed.
<b>Changes to Activity</b>	No changes or modifications, or any additions to Attachment C/D authorizations are planned.
<b>Anticipated Impact</b>	Better prepares MTW participants to succeed in finding employment and overcoming barriers to self-sufficiency.
<b>Actual Impact</b>	<p><b>In FY2013, the number of MTW residents participating in case management services increased to 309 participants. This increase is in part due to the integration of the formerly Safety Net residents re-entering case management. Case managers concentrate on assisting these Tier II residents with preparation for the end of their subsidy. The primary area of focus for the case manager and resident has been on increasing employment opportunities and credit repair to enable the Tier II resident to move into fair market housing or homeownership.</b></p> <p><b>1.) During FY2013, fifty-seven (57) MTW residents participated in the DSHA approved financial literacy course. The MTW residents must take a financial literacy course within the first two years of the program. The purpose of this requirement is to better enable the resident to remove the barrier of bad credit or debt, as seen in Chart B-3 of this report.</b></p> <p><b>2.) Job training and placement/employment referrals increased dramatically in FY2013. These specialized case management activities are specifically geared to help participants become more attractive to potential employers, improve opportunities for job interviews and assist them in becoming more knowledgeable financially. This increase in these categories directly correlates with our unemployment rate increase from 3% in FY2012 to 8% in FY2013. Case managers found that residents needed multiple referrals due to increased employment changes and/or residents needing to work multiple jobs to compensate for underemployment. (See Chart on following page)</b></p>
<b>Baseline</b>	The baseline will be the number of referrals and participants actively involved in case management programs for FY2008-2009.
<b>Benchmark</b>	The benchmark will be based on a percentage of participants actively involved in programs from FY2009 to FY2018.
<b>Data Collection/Metrics</b>	Case Management software will be utilized to track and identify the number of MTW residents that have participated in services and/or programs. Case

Management software will be updated to provide this data beginning with FY2008-2009. No outside evaluators will be used.

**Authorization(s)**

1) Attachment C, Section B. Authorizations Related to Both Public Housing and Housing Choice Vouchers, Paragraph 1. Single Fund Budget with Full Flexibility. Section b. (iii). This authorization waives certain provisions of Section 6 (c) of the 1937 Act and 24 C.F.R 982 and 990 as necessary to implement the Agency's Annual MTW Plan.

2) Attachment C, Section E. Authorizations Related to Family Self-Sufficiency, This authorization waives certain provisions of Section 23 of the 1937 Act and 24 C.F.R 984 as necessary to implement the Agency's Annual MTW Plan.

**MTW Case Management Services**  
**Chart for B-2**

			Baseline (beginning of fiscal year)				Benchmark (40-50%#of MTW Clients)				Outcome (end of fiscal year)			
Ongoing FY2013 MTW Activity	Statutory Objective	Anticipated Impacts	'11	'12	'13	'14	'11	'12	'13	'14	'11	'12	'13	'14
MTW Case Management Services	Employment Incentives	Prepare Residents to succeed in finding employment & obtaining self-sufficiency- Total MTW participants	320	303	392	312	303	392	312	----	303	392	312	----
		1.Job Training	18	11	55	85					11	55	85	----
		2.Placement/Employment Referral	5	2	152	167					2	152	167	----
		3.Financial Literacy	105	27	76	57					27	76	57	----
		<b>Total (1-3)</b>	<b>128</b>	<b>40</b>	<b>283</b>	<b>309</b>	<b>121</b>	<b>156</b>	<b>125</b>	<b>----</b>	<b>40</b>	<b>283</b>	<b>309</b>	<b>----</b>

\* The Safety-Net was suspended in the FY2012 Annual Plan effective September 1, 2011. Residents in the Safety Net were reclassified as "Tier II". These former "Safety Net" residents were brought back into case management and allotted 1 year from their next recertification date before their subsidy will end. The total numbers of participants is elevated due to showing combined statistics for Tier I and Tier II residents.

**Key Observations for FY2013:**

1. All residents are required to take a financial literacy course within the first two (2) years of their MTW participation. Since the majority of residents site credit repair as their primary barrier to self-sufficiency, DSHA feels that a resident will experience greater success overcoming that barrier with the earliest possible participation in the financial literacy course. In FY2013, the number of residents participating in financial literacy increased to 29.8%.
2. Case managers have been concentrating on assisting the Tier II (formerly Safety Net) residents with preparation for the end of their subsidy. As a result of this intensive case management and residents with multiple barriers to self-sufficiency, the total number of case management services increased from 283 in FY2012 to 309 in FY2014.
3. In FY2013, 27% of residents participated in job training.
4. In FY2013, DSHA experience an increase in the placement/employment referral category. This increase in placement/employment referrals directly correlates with our increase in our unemployment rate which increased from 3% on FY2012 to 8% in FY2013. More residents were struggling to find stable employment due to local seasonal employers hiring fewer workers and more employers hiring for temporary positions. This local hiring trend resulted in multiple employment changes and residents needing to work multiple jobs to compensate for "underemployment", therefore increasing the number of referrals that DSHA case managers completed.

<b>Activity Name</b>	<b><u>Removal of Barriers to Self-Sufficiency</u></b>
<b>Activity Number</b>	B-3
<b>Statutory Objective</b>	MTW activities to give incentives to families who are employed or seeking employment and self-sufficiency with the following initiatives:
<b>MTW Activity</b>	Enhance the standard of living for residents participating in MTW by assisting residents in the removal of barriers to self-sufficiency (obtain employment, drivers license, purchase vehicle, coordinate child care, obtain GED, enroll for college courses, expunge criminal record, clear credit history). <u>Initiated and implemented in the FY2000 Annual Plan.</u>
<b>Status of Activity</b>	DSHA MTW participants continue to be assisted in removing barriers to self-sufficiency in areas such as transportation, education and childcare.
<b>Changes to Activity</b>	No changes or modifications, or any additions to Attachment C/D authorizations are planned.
<b>Anticipated Impact</b>	Better prepares MTW participants to succeed in finding employment and overcoming barriers to self-sufficiency.
<b>Actual Impact</b>	<p><b>During FY2012, residents formerly in the Safety Net component of the MTW program were reclassified as Tier II and reinstated into case management. The majority of Tier II residents had not participated in case management for an extended time period. As a result, DSHA anticipated an increase in the number of residents citing barriers to self-sufficiency.</b></p> <p><b>In FY2013, the total number of barriers decreased slightly from 343 in FY2012 to 310 in FY2013. While the total number of barriers increased exponentially, conversely the total number of “barriers removed” did not increase at the same rate. The total number of barriers removed was 52 in FY2013. This statistic has been impacted by current statewide economic conditions such as lower wages caused by the availability of less full-time employment. Many employers are choosing to hire part-time or seasonally to lower costs associated with benefits and wages. Part-time employment and/or decreased wages does not enable a resident to overcome credit rating barriers which account for 40% of the total self-sufficiency barriers sighted. In FY2013, DSHA noted that 35% (11 out of 35) residents stating education related barriers were successful in removing that barrier. (See Chart on following page)</b></p>
<b>Baseline</b>	The baseline will be the number of participants with identified barriers to self-sufficiency for FY2008-2009.
<b>Benchmark</b>	The benchmark will be based on a percentage of participants actively working to eliminate barriers and number of actual achievements from FY2009 to FY2018.
<b>Data Collection/Metrics</b>	Case Management software will be utilized to track and identify the number of MTW residents that have participated in services and/or programs to remove specific barriers to self-sufficiency. Case Management software will be updated to provide this data beginning with FY2008-2009. <u>No outside evaluators will be used.</u>
<b>Authorization(s)</b>	1) Attachment C, Section B. Authorizations Related to Both Public Housing and Housing Choice Vouchers, Paragraph 1. Single Fund Budget with Full Flexibility. Section b. (iii). This authorization waives certain provisions of Section 6 (c) of the 1937 Act and 24 C.F.R 982 and 990 as necessary to implement the Agency’s Annual MTW Plan.

2) Attachment C, Section E. Authorizations Related to Family Self-Sufficiency, This authorization waives certain provisions of Section 23 of the 1937 Act and 24 C.F.R 984 as necessary to implement the Agency's Annual MTW Plan.

**Removal of Barriers to Self-Sufficiency**  
**Chart for B-3**

			Baseline (beginning of fiscal year) Identified Barriers				Benchmark (60-70%#of Clients w/barriers)				Outcome (end of fiscal year) Barriers Removed			
Ongoing FY2013 MTW Activity	Statutory Objective	Anticipated Impacts	'11	'12	'13	'14	'11	'12	'13	'14	'11	'12	'13	'14
Removal of Barriers to Self- Sufficiency	Employment Incentives	Prepare Residents to succeed in finding employment & obtaining self-sufficiency- through the removal of personal barriers- Total MTW participants/with barriers	242	220	343	310	220	343	310	----	220	343	310	----
		1.Obtain Employment	48	54	47	41	----	----	----	----	54	8	5	----
		2.Drivers License &/or Transportation	58	42	62	65	----	----	----	----	16	19	5	----
		3.Education Related (GED, College Degree)	30	34	61	31	----	----	----	----	14	8	11	----
		5.Clear Criminal Records	13	11	32	33	----	----	----	----	2	1	0	
		6.Clear Credit Records	61	66	136	129	----	----	----	----	12	1	28	----
		6.Other (benefits/promotion)	32	13	5	11	----	----	----	----	3	4	3	----
		<b>Total Identified Barriers Removed</b>	<b>242</b>	<b>220</b>	<b>343</b>	<b>310</b>	<b>132</b>	<b>205</b>	<b>186</b>	<b>----</b>	<b>101</b>	<b>41</b>	<b>52</b>	<b>----</b>

\* The Safety-Net was suspended in the FY2012 Annual Plan effective September 1, 2011. Residents in the Safety Net were reclassified as "Tier II". These former "Safety Net" residents were brought back into case management and allotted 1 year from their next recertification date before their subsidy will end. The total numbers of participants is elevated due to showing combined statistics for Tier I and Tier II residents.

**Key Observations for FY2013:**

1. Due to recent changes in the MTW Program, DSHA anticipated the increase in the number of residents with self-sufficiency barriers when compared to FY2011. Former Safety Net (now Tier II) residents had not participated in case management for a significant time period so while the number of barriers increased the corresponding statistics for the removal of barriers has not increased at the same rate. This statistic has also been impacted by current local economic conditions.
2. Residents continue to site "clear credit records" as their primary barrier (41% in FY 2013) to self-sufficiency.

<b>Activity Name</b>	<b><u>Resident Homeownership Program (RHP)</u></b>
<b>Activity Number</b>	C-1
<b>Statutory Objective</b>	MTW activities to improve housing choices for our residents:
<b>MTW Activity</b>	A Resident Homeownership Program (RHP) was created to provide eligible DSHA Housing Choice Voucher and Public Housing residents the ability to participate in a program to own a home by utilizing Housing Choice Voucher rental assistance towards the payment of a mortgage. The flexibility of the MTW program has been used to make the program accessible to Public Housing residents and other non-MTW participants, including elderly and disabled families, in addition to Housing Choice Voucher residents. Initiated and implemented in the FY2004 Annual Plan.
<b>Status of Activity</b>	Effective July 1, 2010, DSHA restructured the RHP program to reduce the duration of the subsidy from the 15 year , to a seven (7) year period and revised the calculation formula used to determine the amount of voucher assistance. These changes provide a more realistic program for the homeowner as they will be better prepared to assume all responsibility for the mortgage at the end of the subsidy period. Families that currently participate in the RHP program are grandfathered under the existing subsidy calculation.
<b>Changes to Activity</b>	No anticipated changes or modifications, or any additions to Attachment C/D authorizations are planned for the revision noted above.
<b>Anticipated Impact</b>	To be able to utilize Housing Choice Voucher to assist eligible participants to purchase a home through this program, especially elderly/disabled (non-MTW) that do not have the opportunity to participate in MTW.
<b>Actual Impact</b>	<b>During FY2013, the number of clients in the Resident Homeownership Program (RHP) remained at 4 participants. To increase participation, information regarding this program has been distributed to various local agencies. In order to qualify for RHP, the client must be “mortgage ready” so client credit rating has been a challenge for this program.</b>
<b>Baseline</b>	The baseline will be the number of participants in the RHP Program during the first year of utilization (2007).
<b>Benchmark</b>	The benchmark will be based on the number of participants anticipated to participate in the RHP program from FY2008 to FY2018.
<b>Data Collection/Metrics</b>	Internal housing choice voucher and RHP records will be used to track participation. No outside evaluators will be used.



**Authorization(s)**

Attachment C, Section D. Authorizations Related to Housing Choice Voucher Only, Paragraph 8. Homeownership Program (a) and (b), This authorization waives certain provisions of Section 8(o)(15) and 8(y) of the 1937 Act and 24 C.F.R 982.625 through 982.643 inclusive as necessary to implement the Agency's Annual MTW Plan.

**MTW Resident Homeownership Program**  
**Chart for C-1**

			Baseline (beginning of fiscal year)				Benchmark				Outcome (end of fiscal year)			
			'11	'12	'13	'14	'11	'12	'13	'14	'11	'12	'13	'14
Ongoing FY2013 MTW Activity	Statutory Objective	Anticipated Impacts												
MTW Resident Homeownership Program	Housing Choices	To utilize Housing Choice Vouchers to assist eligible participants to purchase a home	<b>2</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>----</b>

**Key Observations for FY2013:**

1. Program participation remains consistent at 4 participants.
2. The benchmark was achieved.

## 7.0 SOURCES AND USES OF FUNDING

### A. Actual Sources and Uses of MTW Funds for the Fiscal Year 2013

#### ACTUAL SOURCES OF MTW FUNDS

FY13 was the 13th year of DSHA's MTW Demonstration. MTW revenue sources for the Delaware State Housing Authority consist of Public Housing Rental Income, Public Housing Subsidy, Public Housing MTW Capital Funds, HCV Subsidy and Fees, Investment/Interest Income, and Miscellaneous Income. Discussed below are the budgeted revenue sources in the FY13 MTW Annual Plan versus actual receipts for the year.

**Public Housing Rental Income.** Rental income was budgeted at \$555,220 but actual income was \$586,176. This is attributed to the elimination of accounts payable (AP) checks for utility reimbursement to all Public Housing residents effective January 1, 2013.

**Public Housing Subsidy.** The agency receives an operating subsidy for its Public Housing units based on prior year PUM levels increased by inflation rates and utility rates with consumption estimates per DSHA's MTW agreement. The approved subsidy for CY12 and CY13 was \$2,041,714 and \$2,257,533, respectively. FY13 is funded by 50% from each of CY12 and CY13. The FY13 budget anticipated subsidy revenue was \$2,429,300 while actual receipts were \$2,243,671 due to the CY13 sequestration.

**Public Housing Capital Funds.** In accordance with new guidelines under GAAP, the revenue reported as budgeted is the amount that the agency actually anticipates in receiving for all years funded, not the amount that the agency anticipates being awarded in new funds in FFY13. In FY13, revenue received to cover contractual obligations was \$1,003,806. This is less than the budgeted amount of \$1,080,903.

**Section 8 Grant.** The grant calculation received each fiscal year for the Housing Choice Voucher Program is described in the MTW Agreement. The HUD approved grant amount for CY12 and CY13 was \$7,605,818 and \$6,984,393 respectively. FY13 is funded by 50% from each of CY12 and CY13. The FY13 budget recognized subsidy revenues of 95% of the CY12 subsidy amount received after inflated by 1.05 which equals \$6,998,950 while actual receipts were \$7,666,337. FY13 funding was more than anticipated with HUD approving funding for CY12 at 99.6% and for CY13 at 94.1%.

**Investment Income.** In FY13, Investment Income earned totaled \$1,504 due to MTW Reserves being held in an interest bearing money market account.

**Miscellaneous Income.** Total other income for the MTW program was \$418,177 which is more than the budgeted amount of \$240,060. Public Housing's other income in the amount of \$197,002 includes \$69,706 in laundry and telephone receipts and maintenance, court, return check and late fees received from tenants. Also included are forfeited MTW escrow savings in the amount of \$93,796, \$16,700 from Daycare Centers located at Lavery Lane and Hickory Tree and \$16,800 in community building rental at Holly Square.

The Section 8 Voucher Program other income of \$221,175 includes \$25 received for fraud recover payments, \$212,557 reimbursable portable income, \$873 for restitution payments, and \$7,720 for forfeitures of MTW escrow savings. Other income was more than anticipated this year due to change in reporting reimbursable portable income. Forfeitures occur when a tenant voluntarily leaves the MTW Program, does not complete the COMP (Contract of Mutual Participation), is dismissed from the Program or ends their five year contract with the MTW Program unsuccessfully.

## ACTUAL USES OF FUNDS

MTW program expenses for FY13 consist of HCV Housing Assistance Payments, HCV Administration, Agency Managed Housing Operations, Utility Payments, Public Housing Rehabilitation Expenses, Resident Services Expenses, and Protective Services Expenses. A broad overview of budget versus actual expenditures is listed below.

**HCV Housing Assistance Payments.** Housing Assistance Payments were 90% of the budgeted amount due to issuing less than 903 MTW vouchers and decreased PUM costs.

**HCV Administration Expense.** The Housing Choice Vouchers Program has administrative expenses to include salaries, legal, staff training/travel, auditing fees, supplies and postage where appropriate. Starting in FY09, the Voucher Program direct charged all salaries pertaining to the program. Administrative expenses in the amount of \$1,212,448 are greater than the budget amount of \$1,160,580 due to upgrades to Closed Circuit TV systems are various Public Housing sites that using MTW fungability were paid directly from Housing Choice Voucher due to funding shortage in the Public Housing program.

**Agency Managed Housing Operations.** The Agency Managed Housing Operations total includes Public Housing administration expenses, tenant services, maintenance, and general expenses.

**Public Housing Administration Expense.** The Public Housing Program has administrative expenses to include salaries, legal, staff training/travel, auditing fees, supplies and postage where appropriate. The Public Housing program direct charges all salaries pertaining to the program. And, the Capital Fund Program was charged for applicable 10% fee for service. Administrative expenses in the amount of \$721,064 are greater than the budget amount of \$665,290 due to 2 positions not budgeted 50% to Public Housing.

**Maintenance.** Maintenance salaries of site personnel, materials/supplies, and contractual costs including trash pickup, grass cutting, exterminating and routine painting of empty units at all sites are combined in this category. Public Housing's costs were over budget by \$149,525 due to using contractors to turn units at Clarks Corner due to maintenance position vacancy.

**General Expense.** Grouped in this area are payments in lieu of taxes to counties and school districts, employee benefit contributions, collection loss and insurance expenses. Expenses were lower than budgeted.

**Utility Payments.** FY13 utilities were budgeted at \$467,610. FY13 utility expenses of \$468,224 were in line with the budget amount.

**Public Housing Rehabilitation Expenses.** Funds from the Capital Fund Program were used for Bathroom Upgrades at Liberty Court, Roof Replacement architect fees at Clarks Corner, circuit breaker replacements at Peach Circle, circuit breaker, smoke detector, roof, and heat pump system replacements Scattered Site Rental units, electrical upgrades at Holly Square, and Arc Fault repairs at McLane Gardens.

**Resident Services Expenses.** The Public Housing Resident Services expense budget in the amount of \$15,680 includes funding for educational and recreational activities for children, self-sufficiency training, internet access at all sites, computer training programs and \$4,170 to fund organized tenant council expenses. There were no tenant council expenses in FY13. However, Resident Services Expenses totaled \$43,558 due to DSHA paying more for Summer Camps provided by University of Delaware. University of Delaware grant funding was reduced leaving DSHA to pay a larger portion to hold the camps for the resident children. Financial counseling for Public Housing and Section 8 residents is provided in house by DSHA staff.

**Protective Services Expenses.** Protective services were budgeted at \$30,000 from the

Capital Fund Program for FY13. No Police Patrolling was utilized during FY13.

## **B. Actual Sources and Uses of Non-MTW Federal Funds for the Fiscal Year 2013**

### **ACTUAL SOURCES OF NON-MTW FEDERAL FUNDS**

Non-MTW revenue sources for the Delaware State Housing Authority consist of Family Unification Program (FUP) Funds. In FY13, DSHA received \$233,628 in FUP funds.

### **ACTUAL USES OF FUNDS**

Non-MTW funds were used to pay Family Unification Program (FUP) expenses in the amount of \$317,429.

## **C. Describe the Planned vs. Actual Uses of MTW Single-Fund Flexibility**

The ability to combine Public Housing and Housing Choice Voucher funding into a single, block grant funding source has allowed DSHA the flexibility to utilize Housing Choice Voucher reserves for capital improvements up to and above the amount of funding provided by Public Housing Capital Funds. This includes the installation of air conditioning and replacement of heaters in most public housing units and the installation of security cameras at several public housing sites. It has also allowed DSHA to properly maintain and operate its public housing communities in years when overall program funding has been reduced. Additionally, many MTW activities such as resident case management, housing and credit counseling, and other resident serves have been provided using combined Public Housing and Housing Choice Voucher funds. Identified and Implemented in initial plan of FY2000.

The utilization of the fungibility of funds available to DSHA through the MTW Agreement was used in FY2013. Due to a Public Housing subsidy reduction of \$662,947 for CY12 and Sequestration for CY13, DSHA transferred \$265,500 from Section 8 Housing Choice Voucher funds to Public Housing operations to cover operating expenses. Section 8 Housing Choice Voucher funds were also used for Closed Circuit TV upgrades at Mifflin Meadows, Clarks Corner, McLane Gardens, Burton Village, and Liberty Court.

## **D. Actual Reserve Balances at the End of the Fiscal Year 2013**

The MTW Operating Reserves balance at the end of FY 2013 was projected at \$1,138,059 but the actual reserve balance is \$1,032,628 due to Sequestration for CY13. The reserve balance of \$1,032,628 represents less than two months of routine MTW program operating expenses.

## 7.1 Budget vs. Actuals Spreadsheet

### A. Actual Sources and Uses of MTW Funds for the Fiscal Year 2013

**Note:** If a Projected Budget was presented in the MTW Plan for this fiscal year, complete the Projected Budget column, the Adopted Budget column and the Funds Received / Expended column. If the Adopted Budget was presented in the MTW Plan, the Projected Budget column is not applicable.

Actual Sources of MTW Funds	Projected Budget	Adopted Budget	Funds Received
Public Housing Rental Income	\$ X	555,220	586,176
Public Housing Subsidy	\$ X	2,429,300	2,243,671
Public Housing MTW Capital Funds	\$ X	1,080,903	1,003,806
HCV Subsidy and Fees	\$ X	6,998,950	7,666,337
Investment / Interest Income	\$ X	0	1,504
Non-Rental Income	\$ X	240,060	418,177
RHF Funding (If RHF is block granted)	\$ X	\$ X	\$ X
Reserves	\$ X	\$ X	\$ X
Other: Miscellaneous Income	\$ X	\$ X	\$ X
Other:	\$ X	\$ X	\$ X
Other:	\$ X	\$ X	\$ X
Other:	\$ X	\$ X	\$ X
<b>Total Sources:</b>	<b>0</b>	<b>11,304,433</b>	<b>11,919,671</b>

**Actual Uses of MTW Funds****Projected  
Budget****Adopted  
Budget****Funds  
Expended**

HCV Housing Assistance Payments	\$ X	6,334,640	5,728,196
HCV Administration	\$ X	1,160,580	1,212,448
Agency Managed Housing Operations	\$ X	2,948,305	3,139,382
Privately Managed Housing Operations	\$ X	\$ X	\$ X
Utility Payments	\$ X	467,610	468,224
Public Housing Rehabilitation Expenses	\$ X	1,050,903	1,003,806
Debt Service Repayment Expenses	\$ X	\$ X	\$ X
Development Activities	\$ X	\$ X	\$ X
Resident Services Expenses	\$ X	15,680	43,558
Protective Services Expenses	\$ X	30,000	\$ X
Local Housing Program Expenses	\$ X	\$ X	\$ X
Added to Reserves	\$ X	\$ X	\$ X
Other:	\$ X	\$ X	\$ X
Other:	\$ X	\$ X	\$ X
Other:	\$ X	\$ X	\$ X
Other: Wexford Village Rehab	\$ X	500,000	\$ X
<b>Total Uses:</b>	<b>0</b>	<b>12,507,718</b>	<b>11,595,614</b>

## B. Actual Sources and Uses of Non-MTW Federal Funds for the Fiscal Year 2013

Actual Sources of Non-MTW Federal Funds	Projected Budget	Adopted Budget	Funds Received
HOPE VI Funding	\$ X	\$ X	\$ X
ROSS Grant Funding	\$ X	\$ X	\$ X
Non-MTW HCV Funding	\$ X	\$ X	\$ X
RHF Funding (If RHF is not block granted)	\$ X	\$ X	\$ X
Other:	\$ X	\$ X	\$ X
Other:	\$ X	\$ X	\$ X
Other:	\$ X	\$ X	\$ X
Other:	\$ X	\$ X	\$ X
Other:	\$ X	\$ X	\$ X
Other:	\$ X	\$ X	\$ X
Other:	\$ X	\$ X	\$ X
Other: FUP Revenue	\$ X	\$ X	233,628
<b>Total Sources:</b>	<b>0</b>	<b>0</b>	<b>233,628</b>



**Actual Uses of Non-MTW Federal Funds****Projected  
Budget****Adopted  
Budget****Funds  
Expended**

HOPE VI Authorized Activities	\$ X	\$ X	\$ X
ROSS Grant Authorized Activities	\$ X	\$ X	\$ X
Non-MTW HCV Program Expenses	\$ X	\$ X	\$ X
RHF Funding (If RHF is not block granted)	\$ X	\$ X	\$ X
Other:	\$ X	\$ X	\$ X
Other:	\$ X	\$ X	\$ X
Other:	\$ X	\$ X	\$ X
Other:	\$ X	\$ X	\$ X
Other:	\$ X	\$ X	\$ X
Other:	\$ X	\$ X	\$ X
Other:	\$ X	\$ X	\$ X
Other: FUP expenses	\$ X	\$ X	317,429
<b>Total Uses:</b>	<b>0</b>	<b>0</b>	<b>317,429</b>

**C. Local Asset Management Plan**

Has the agency allocated costs within statute during the plan year?

Yes

No

Has the agency implemented a local asset management plan (LAMP)?

Yes

or

No

\*If the agency is implementing a LAMP, it shall be described in an appendix every year beginning with the year it is proposed and approved. It shall explain the deviations from existing HUD requirements and should be updated if any changes are made to the LAMP.

Has the agency provided a LAMP in the appendix?

Yes

or

No

In the body of the Report, agencies should provide a narrative updating the progress of implementing and operating the Local Asset Management Plan during the fiscal year.

#### D. Describe the Planned vs. Actual Uses of MTW Single-Fund Flexibility

Planned vs. Actual Uses of Funds made possible via the MTW block grant that are permissible under Sections 8 & 9 of the 1937 U.S. Housing Act and that do not require the use of any other MTW flexibility, can be described in this section. Agencies shall provide a thorough narrative detailing each activity benefitting from single fund flexibility and compare actual activities to those proposed in the Report. Agencies are not required to provide metrics but are encouraged to track the outcomes of significant activities.

Agencies should provide this narrative in the body of the Report.

#### E. Actual Reserve Balances at the End of the Fiscal Year 2013

Reserve Account	Reserve Balance	
	Planned	Actual
MTW Reserve Account	2,054,829	1,032,628
Reserve Account 2	\$ X	\$ X
Reserve Account 3	\$ X	\$ X
Reserve Account 4	\$ X	\$ X
Reserve Account 5	\$ X	\$ X
Reserve Account 6	\$ X	\$ X
Total Reserve Balance Amount:	2,054,829	1,032,628

## **8.0 ADMINISTRATIVE**

### **A. Description of progress on the correction or elimination of observed deficiencies cited in monitoring visits or physical inspections, if applicable:**

- This is not applicable-no outstanding deficiencies from monitoring visits or inspections.

### **B. Results of latest Agency-directed evaluations of the demonstration as applicable:**

- There are no Agency-directed evaluations.

### **C. Performance and Evaluation Report for Capital Fund Activities not included in the MTW Block Grant:**

- See Attached Budget Submissions (Page 53)

**D. General Order No. 614:**

**GENERAL ORDER NO. 614**

**CERTIFICATION OF COMPLIANCE WITH  
STATUTORY REQUIREMENTS  
OF THE MOVING TO WORK  
ANNUAL REPORT FOR FY2013**

**WHEREAS,** The Delaware State Housing Authority (DSHA) entered into a Moving to Work Restated and Amended Agreement with HUD; and

**WHEREAS,** The Moving to Work Restated and Amended Agreement requires that the Delaware State Housing Authority submit an Annual Report; and

**WHEREAS,** The Moving to Work Restated and Amended Agreement requires certification that DSHA has met the three statutory requirements for the Moving to Work Program; and

**WHEREAS,** The Annual Report shall describe the activities and sources and uses of funding that Delaware State Housing Authority is undertaking through the Moving to Work Program.

**NOW THEREFORE BE IT ORDERED AS FOLLOWS:**

The Delaware State Housing Authority certifies that it has met the following three statutory requirements of;

- 1) Assuring that at least 75 percent of the families assisted by the Agency are very low-income families, and
- 2) Continuing to assist substantially the same total number of eligible low-income families as would have been served had the amounts not been combined; and
- 3) Maintaining a comparable mix of families (by family size) are served, as would have been provided had the amounts not been used under the demonstration.

DELAWARE STATE HOUSING AUTHORITY

  
Anas Ben Addi, Director

  
Date

# Budget Submissions to HUD

## 9.0 BUDGET SUBMISSIONS AND ATTACHMENTS

### A. Annual Statements/Performance Evaluation Reports

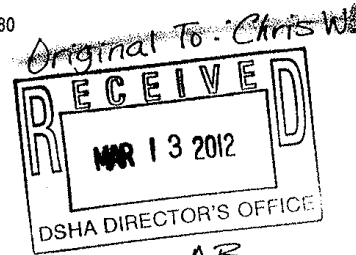


U.S. Department of Housing and Urban Development

Philadelphia Office  
The Wanamaker Building  
100 Penn Square East  
Philadelphia, Pennsylvania 19107-3380

March 12, 2012

Mr. Anas Ben Addi  
Executive Director  
Delaware State Housing Authority  
18 The Green  
Dover, DE 19901



cc: AB  
DSC

Dear Mr. Addi:

Enclosed is a fully executed original of the ACC for the Authority's FY 2012 Capital Fund Program funding, Project # DE26P00450112 in the amount of \$611,203.00.

You are reminded that the Authority cannot begin to undertake, obligate, or expend Capital Funds on physical activities or other choice-limiting actions until the Environmental Review Requirements have been met. Once this has been completed, you may begin to obligate FY 2012 Capital Funds.

Once again, particular attention must be given to expediting the obligation and expenditure of Capital Funds. This office has approved an implementation schedule for your authority not to exceed March 11, 2014 for the obligation and March 11, 2016 for expenditure of these funds.

If you have any questions, please contact Edward Williams, Public Housing Revitalization Specialist, at 215-861-7609 or via email at [edward.williams@hud.gov](mailto:edward.williams@hud.gov). Our text telephone number for the hearing impaired is (215) 656-3452.

Sincerely,

Dennis G. Bellingtier  
Director  
Office of Public Housing

Enclosure

[www.hud.gov](http://www.hud.gov)

[espanol.hud.gov](http://espanol.hud.gov)

## 2012 Capital Fund

### Capital Fund Program (CFP) Amendment

To The Consolidated Annual Contributions  
Contract (form HUD-53012)

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing

Whereas, (Public Housing Authority) Delaware State Housing Authority(DE004) (herein called the "PHA") and the United States of America, Secretary of Housing and Urban Development (herein called "HUD") entered into Consolidated Annual Contributions Contract(s) ACC(s) Numbers(s) P-4520 dated 2/13/1996

Whereas, HUD has agreed to provide CFP assistance, upon execution of this Amendment, to the PHA in the amount to be specified below for the purpose of assisting the PHA in carrying out capital and management activities at existing public housing developments in order to ensure that such developments continue to be available to serve low-income families. HUD reserves the right to provide additional CFP assistance in this FY to the PHA. HUD will provide a revised ACC Amendment authorizing such additional amounts.

\$ 611,203.00 for Fiscal Year 2012 to be referred to under Capital Fund Grant Number DE26P00450112  
PHA Tax Identification Number (TIN): On File DUNS Number: On File

Whereas, HUD and the PHA are entering into the CFP Amendment Number 50

Now Therefore, the ACC(s) is (are) amended as follows:

1. The ACC(s) is (are) amended to provide CFP assistance in the amount specified above for capital and management activities of PHA developments. This amendment is a part of the ACC(s).

2. The capital and management activities shall be carried out in accordance with all HUD regulations and other requirements applicable to the Capital Fund Program.

3. (Check one)

XXXX a. For Non-qualified PHAs:

(i) In accordance with the HUD regulations, the Annual PHA Plan has been adopted by the PHA and approved by HUD, and may be amended from time to time. The capital and management activities shall be carried out as described in the CFP Annual Statement/Performance and Evaluation Report (HUD-50075.1).

OR

(ii) If the Annual PHA Plan has not been adopted by the PHA and approved by HUD, the PHA may use its CFP assistance under this contract for work items contained in its CFP-Five-Year Action Plan (HUD-50075.2), before the Annual PHA Plan is approved.

b. For Qualified PHAs:

(i) The CFP Annual Statement/Performance and Evaluation Report (HUD-50075.1) has been adopted by the PHA and verified by HUD. The capital and management activities shall be carried out as described therein.

OR

(ii) If the CFP Annual Statement/Performance and Evaluation Report has not been adopted by the PHA and/or verified by HUD, the PHA may use its CFP assistance under this contract for work items contained in its approved CFP 5-Year Action Plan (HUD-50075.2), before the CFP Annual Statement/Performance and Evaluation Report is adopted by the PHA and verified by HUD.

For cases where HUD has approved a Capital Fund Financing Amendment to the ACC (CFP Amendment attached), HUD will deduct the payment for amortization scheduled payments from the grant immediately on the effective date of this CFP Amendment. The payment of CFP funds due per the amortization scheduled will be made directly to a designated trustee (Trustee Agreement attached) within 3 days of the due date.

Regardless of the selection above, the 24 month time period in which the PHA must obligate this CFP assistance pursuant to section 9(j)(1) of the United

The parties have executed this Agreement, and it will be effective on March 12, 2012. This is the date on which CFP assistance becomes available to the PHA for obligation.

U.S. Department of Housing and Urban Development  
By [Signature] Date: 3/12/12  
Title Director, Office of Public Housing

PHA Executive Director  
By [Signature] Date: 2/17/12  
Title Anas Ben Addi, Director DSHA

Previous versions obsolete

form HUD-52840-A 03/04/2003

Annual Statement/Performance and Evaluation Report  
Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 8/31/2011

<b>Part I: Summary</b>		<b>Grant Type and Number</b>		<b>FFY of Grant 2012</b>
<b>PHA Name:</b>		<b>Capital Fund Program Grant No: DE26PO0450112</b>		<b>FFY of Grant Approval: 2012</b>
Delaware State Housing Authority		Replacement Housing Factor Grant No: N/A		
Date of CFFP: N/A				
<b>Type of Grant</b>		<b>Reserve for Disasters/Emergencies</b>		
<input checked="" type="checkbox"/> Original Annual Statement		<input type="checkbox"/> Performance and Evaluation Report for Period Ending:		
<input type="checkbox"/> Performance and Evaluation Report for Period Ending:		<input type="checkbox"/> Reserve for Disasters/Emergencies		
<b>Line</b>		<b>Summary by Development Account</b>	<b>Original</b>	<b>Total Estimated Cost</b>
				<b>Revised<sup>1</sup></b>
				<b>Obligated</b>
				<b>Total Actual Cost<sup>1</sup></b>
				<b>Expended</b>
1	Total non-CFF Funds			
2	1406 Operations (may not exceed 20% of line 21) <sup>2</sup>			
3	1408 Management Improvements			
4	1410 Administration (may not exceed 10% of line 21)			
5	1411 Audit			
6	1415 Liquidated Damages			
7	1430 Fees and Costs			
8	1440 Site Acquisition			
9	1450 Site Improvement			
10	1460 Dwelling Structures			
11	1465.1 Dwelling Equipment—Nonexpendable			
12	1470 Non-dwelling Structures			
13	1475 Non-dwelling Equipment			
14	1485 Demolition			
15	1492 Moving to Work Demonstration			
16	1495.1 Relocation Costs		611,203.00	
17	1499 Development Activities <sup>4</sup>			

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFF Grants for operations.

<sup>4</sup> RHF funds shall be included here.



**Annual Statement/Performance and Evaluation Report**  
**Capital Fund Program, Capital Fund Program Replacement Housing Factor and**  
**Capital Fund Financing Program**

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0226  
 Expires 08/31/2011

<b>Part I: Summary</b>		<b>FFY of Grant: 2012</b>	
<b>PHA Name:</b> Delaware State Housing Authority	<b>Grant Type and Number</b> Capital Fund Program Grant No: DE26P00450112 Replacement Housing Factor Grant No: N/A Date of CFFP: N/A	<b>FFY of Grant Approval: 2012</b>	
<b>Type of Grant</b>			
<input checked="" type="checkbox"/> <b>Original Annual Statement</b>			
<input type="checkbox"/> <b>Performance and Evaluation Report for Period Ending:</b>			
<input type="checkbox"/> <b>Summary by Development Account</b>			
<input type="checkbox"/> <b>Reserve for Disasters/Emergencies</b>			
<input type="checkbox"/> <b>Revised Annual Statement (revision no: )</b>			
<input type="checkbox"/> <b>Final Performance and Evaluation Report</b>			
<b>Line</b>	<b>Original</b>	<b>Revised<sup>2</sup></b>	<b>Total Actual Cost<sup>1</sup></b>
13a	1501 Collateralization or Debt Service paid by the PHA		Expended
18a	9000 Collateralization or Debt Service paid Via System of Direct Payment		
19	1502 Contingency (may not exceed 8% of line 20)		
20	Amount of Annual Grant: (sum of lines 2 - 19)	611,203.00	
21	Amount of line 20 Related to LBP Activities		
22	Amount of line 20 Related to Section 504 Activities		
23	Amount of line 20 Related to Security - Soft Costs		
24	Amount of line 20 Related to Security - Hard Costs		
25	Amount of line 20 Related to Energy Conservation Measures		
<b>Signature of Executive Director: Anas Ben Adda, Director</b>		<b>Signature of Public Housing Director:</b>	<b>Date:</b>
			3/12/12

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAS with under 250 units in management may use 100% of CFP Grants for operations.

<sup>4</sup> RHF funds shall be included here.

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 08/31/2011

[illegible]

<sup>1</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>2</sup> To be completed for the Performance and Evaluation Report.

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 08/31/2011

## Delaware State Housing Authority

[illegible]

Page6

form HUD-50075.1 (4/2008)

# APPENDIX

# Local Asset Management Plan

Purpose: This Local Asset Management Plan has been established pursuant to the requirements of Section 6 of the First Amendment to the MTW Agreement.

Project-Based Management: DSHA has always operated its Public Housing sites utilizing the principles of project-based management. This means that DSHA has a decentralized management of its Public Housing sites with managers and maintenance staff assigned to each and responsible for each site so assigned. The manager at each site therefore has the responsibility for the maintenance of all the facilities through approvals of maintenance work orders and of outside contractors when these need to be called in. Managers are evaluated based upon REAC scores, unit turnovers, tenant account receivables, and other performances measures designed to ensure each site is managed to the highest standards.

Project –Based Budgeting: DSHA has strengthened the role of the Public Housing Managers in the process of establishing budgets for each site. Draft project-based accounting budget vs. actual from the prior fiscal year and tentative allocations for the coming fiscal year (based upon the expected level of HUD subsidy distributed on a per unit basis) are provided to each manager for their review. Each budget line and its assumptions are scrutinized, and then each project budget is reviewed in a meeting with the DSHA Director, the Housing Management Program Administrator, and senior financial staff. After this meeting the project budgets are finalized, which are then rolled into the budget for the MTW Plan submission.

Project-Based Accounting: Project-based accounting reports are provided to managers on a quarterly basis, with monthly expenditure reports provided throughout the year. The quarterly project-based accounting reports and any variance of 10 percent or more are reviewed with senior management staff. Because the mix of families participating in the MTW savings program negatively affects the cash flow of each site, reducing the available revenue through sweeps to MTW savings account, the budgeting process holds site managers harmless with the respect to decreased revenue from this source.

Financial Management: With respect to financial management, DSHA's cost accounting and financial reporting methods are in conformance with, OMB Circulars A-87, A-102, A-133, and Generally Accepted Accounting Practices (GAAP). These are no exceptions to HUD guidance. The cost approach for each of the three federal funding sources under MTW is noted below for FY13 and FY14:

	<u>FY13</u>	<u>FY14</u>
Public Housing	Direct charge	Direct charge
Sec. 8 Voucher	Direct charge	Direct charge
Capital Fund	Fee for service	Direct charge

The Capital Fund Program is changing from a fee for service (10 percent) in FY13 to direct charge in FY14 because of the decreased appropriation for the Capital Fund Program. Although DSHA has an approved Indirect Cost Allocation Plan covering the three programs under MTW, it is choosing to direct charge these programs at this time.